City Finance Committee Minutes June 17, 2013

City Council Chambers - 7:00 PM

Attendance: Mayor Bouley; Councilors Blanchard, Kretovic, McClure, DelloIacono, Coen, St. Hilaire, Shurtleff, Bennett, Nyhan, Bouchard, Keach. Councilors Grady-Sexton and Werner were excused. Councilor Patten was absent.

The Mayor opened the meeting and stated that this meeting was to review the FY 2014 Capital Budget and Bonded Debt, followed by a Finance Committee Work Session.

On a motion made and seconded, the draft minutes from the June 8, 2013 Finance Committee Meeting were amended and unanimously approved.

Bonded Debt: Deputy City Manager-Finance Brian LeBrun provided a brief overview of bonded debt and transfers in the proposed FY 2014 Budget.

Councilor Nyhan inquired about transfers from the Arena Fund. Staff responded that the transfer is to cover debt service incurred by the General Fund for locker room improvements.

The Mayor opened a public hearing on this portion of the budget. As there was no testimony, the public hearing was closed and a motion was made and seconded to tentatively approve the Bonded Debt portion of the budget as proposed. The motion passed with a unanimous voice vote.

Capital Improvement Program (CIP) Budget: City Manager Aspell made some brief opening remarks. Specifically, he noted that a public hearing was held on the out-years and that suggestions made during that hearing were included within the proposed ten-year CIP. The Manager also noted that the CIP overview is typically provided by Matt Walsh, Assistant for Special Projects. However, Mr. Walsh has come down with a medical aliment which would make it difficult to make a presentation this evening.

Manager Aspell noted that some items have an asterisk next to them. The asterisks denote that the money will be appropriated separately from the FY 2014 budget process.

Airport:

- CIP #53, Localizer, \$73,000. The project will install lights and other improvements on the localizer; a component of an Instrument Landing System (ILS) that provides runway centerline guidance to aircraft.
- CIP #73, Parallel Taxi Way 12/30, \$1.339 million. Project is for Phase I construction, which is the southern portion of the taxiway. Phase II is scheduled for FY 2015. This is the runway closest to Regional Drive.
- CIP #75, General Airport Facility Repairs, \$25,000. Project is for crack sealing of tie down area and repair of sprinkler deficiencies.
- CIP #77, Snow Removal Building and Equipment, \$303,000. For purchase of a new front end loader.
- CIP #471, Fuel Farm, \$9,631. Project features installation of a new pump for self-serve AV Gas.

Arena:

• CIP #64, Arena Facility Improvements, \$221,806. Project entails roof repairs, replacement of the hot water systems, and repair of sprinkler deficiencies.

Bridges:

• CIP #22, Sewalls Falls Bridge, \$10,001,080. Project entails construction of a new bridge to replace the current Sewalls Falls Bridge. Anticipated design is a modern, two-lane roadway. Design was previously appropriated in FY 2012 in the amount of \$1.5 million. Relocation of the water main on the bridge was appropriated in FY 2013 in the amount of \$1.3 million.

City Engineer Ed Roberge discussed the status of the project. He explained that the project will be delayed due to ongoing negotiations related to historic preservation concerns stemming from the replacement of the 1930s truss bridge. Staff explained that the City conducts monthly inspections of the bridge in order to safeguard public safety. It was also noted that several interim repairs have been made to the bridge over the past few years. Several City Councilors expressed concerns about the four consulting parties to the Federal project review process.

Cemeteries:

• No Projects in FY 2014

<u>Community Planning / Implementation:</u>

• CIP #506, Historical Surveys, \$35,000. Project is a placeholder for potential grants which might be secured for historic evaluation of specific buildings or neighborhoods.

Downtown:

 No projects in FY 2014. However, Manager Aspell noted that the Low Avenue project was updated and the funding source changed to TIF due to potential future redevelopment of CVS and Phenix Hall properties.

Economic Development:

• CIP #508, Allied Leather Tannery, \$2.048 million. Project entails design and construction of a riverfront park, potential relocation of the Penacook Branch Library to the Tannery site, reconstruction of the Canal Street Municipal Parking Lot, and other improvements to Canal Street. Project is intended to complement the Weston Solutions Assisted Living Facility, should their plan move forward. Of total project cost, only \$25,000 will be appropriated at this time. Specifically, the \$25,000 will be used to complete analysis to petition FEMA to make amendments to Floodplain / Floodway maps for the Tannery's frontage on the Contoocook River. This will help facilitate redevelopment of the site once environmental cleanup is completed. The rest of the funding package will be appropriated at such time as the City enters into a Development Agreement with Weston Solutions or other developer.

Fire Vehicles:

• CIP #4, Fire Vehicles, \$535,000. Funds will be used to replace Engine 4, which was purchased in 2002.

Golf:

- CIP #107, Beaver Meadow Club House & Buildings, \$80,000. For various cosmetic improvements to the club house (\$20,000) and purchase of a golf simulator (\$60,000).
- CIP #235, Golf Course Grounds Improvements, \$40,000. For automatic ball dispenser (\$20,000) and for improvements to the teaching area (\$20,000).
- CIP #530, Golf Course Equipment, \$15,000. For replacement of the top dresser, which is used for maintenance of turf.

There was a brief discussion about the cosmetic improvements in CIP #107. Funds will be used for painting and other improvements. However, the project does not include refurbishment of the kitchen.

General Services Vehicles:

- CIP #121, Equipment Replacement Program, \$798,000. Project replaces 19 vehicles and pieces of equipment ranging from small items, such as winter sanding units and pick-up trucks, to large items such as a new \$250,000 front end loader.
- CIP #512, Emergency Vehicle Repairs, \$20,000. Funds will be used to finance unforeseen major repairs to critical vehicles / equipment.

Information Technology:

- CIP #2, Information Systems Replacement / Upgrade, \$224,799.
 - \$84,000 for replacement of Police Mobile Computers. Replaced every 4 years.
 - \$20,000 for licensing agreements related to server upgrades. Updated every 4-5 years as dictated by software requirements.
 - \$25,000 for two core virtualization servers which will replace 25 physical servers. Replaced every 5 years.
 - \$30,000 for Storage Area Network (SAN) expansion for data storage and replication to offsite repository for business continuity (Fire Dispatch basement).
 5 year replacement strategy.
 - \$20,000 for 16 laptops city-wide. Replaced every 4-5 years.
 - \$35,000 for 40 desktop computers. Replaced every 4-5 years.
 - \$10,000 for printer replacements.
 - \$5,000 for computer monitors.
- CIP #130, Photocopiers, \$28,500. For replacement of four photo copiers as follows: General Services Department at the COMF, Community Development Code Administration, Parks & Recreation Heights Community Center, and the Police Department).
- CIP #297, GIS, \$10,500. Project will update data layers. Manager Aspell noted that Tax Map updates have been delayed for second year in a row.

Intersections:

• CIP #283, Traffic Signals & Traffic Operations Improvements, \$95,000. For equipment replacement and pedestrian walk signal upgrades on North Main / Boutin (\$70,000); and for signal coordination on Water Street between Old Turnpike & Storrs Street (\$25,000).

Parking:

- CIP #403, Vehicle Replacement, \$30,000. For replacement of the Parking Division's pickup truck (a 2001 Ford Ranger). Project might be delayed pending the financial condition of the Parking Fund, or replaced with a less expensive pre-owned vehicle.
- CIP #432, Firehouse Block Garage Repairs, \$35,000. Project shall enclose the garage's stair tower with glass to protect the new concrete stairs.

Parks & Open Space:

- CIP #352, Open Space Protection, \$500,000. Placeholder for potential land purchases which might be identified & pursued during FY 2014.
- CIP #557, Memorial Field Facilities Improvements, \$400,000. For reclaiming and re-paving the parking lot (\$200,000); and for repair of the press box and construction of a new concessions stand (\$200,000).

Public Buildings:

- CIP #63, Citywide Recreation Improvements, \$250,000. For handicap ramp repair / replacement at the West Street Ward House (\$80,000); for repairs to all seven City pools (roofs on pool houses, chlorinator pumps, etc.) (\$162,000); and for sprinkler system repairs at the Green Street Community Center and West Street Ward House (\$8,000).
- CIP #65, City Hall Renovations, \$130,000. For repair / replacement of City Hall front steps; replacement of north entry stairs at City Hall Annex; and sprinkler repairs at the City Auditorium, Police Station, and City Hall.
- CIP #323, Combined Operations & Maintenance Facility (COMF) Improvements, \$161,000. For sprinkler system repairs (\$140,000) and for stair repairs at the loading dock (\$21,000).
- CIP #443, City-Wide Community Center, \$129,773. Funded by Recreation Impact Fees from all four Impact Fee Districts. Project consists of the design of the new city-wide multigenerational community center at the former Dame School. Specifically, the project will advance concepts from the January 2011 Needs Assessment to a 15% design, including floor plans, elevation renderings, and cost updates. Goal is to produce sufficiently detailed drawings which could be used to start a fundraising campaign.
- CIP #535, Emergency Facility Repairs, \$25,000. For emergency repairs to City buildings.
- CIP #551, Library Buildings Maintenance, \$20,000. For sprinkler system repairs at the Main Library on Green Street.

Public Safety:

- CIP #230, Opticom Replacement, \$12,500. City-wide replacement of failing opticom units on traffic lights.
- CIP #335, Thermal Imaging, \$30,000. Replacement of three thermal cameras. Phase 2 of 2. Units are replaced every 5-6 years.

- CIP #521, Firearms Range Improvements, \$60,000. For reconstruction of berms and retaining walls, as well as lead removal at the Police Department firing range.
- CIP #527, Cardiac Monitor Replacement Program, \$350,000. Replacement of units used on all apparatus with such equipment. Current units are 10 years old.

Sewer Collection:

- CIP #91, Sanitary Sewer Main Rehabilitation & Construction, \$190,000. For lining of sewer mains in Penacook on Village, Elm, Washington, Webster, Merrimack, Sanders, and Summer Streets, as well as a portion of Manchester Street (\$120,000); for maintenance of the sewer interceptor rights-of-way, including brush removal and erosion control (\$50,000); and for design of a new sewer main in Village Street near Thirty Pines, to be undertaken with CIP #35 (Route 3 North reconstruction) in 2015 (\$20,000).
- CIP #275, Pump Station Improvements, \$125,000. SCADA upgrades at all 8 pump stations, as well as electrical upgrades.
- CIP #410, COBRA Video Camera, \$80,000. Camera replacement, including hardware and software upgrades.

Sewer Treatment:

- CIP #89, Hall Street WWTP Odor Control, \$35,000. Replacement of six chemical feed pumps associated with the sludge holding tank scrubber.
- CIP #104, Hall Street WWTP Renovations, \$407,189. Facility needs assessment, electrical improvements, and fire alarm improvements. \$60,000 for pavement repairs.
- CIP #245, Emergency Plant Repairs, \$51,500. Funds for emergency repairs at the Hall Street or Penacook WWTPs.
- CIP #466, Penacook WWTP Renovations, \$450,000. For Phase II concrete repairs (Phase I undertaken in 2013), equalization tank valve repairs, pavement repairs, and electrical improvements.

Sidewalks & Streetscapes:

• CIP #460, Downtown Complete Streets, \$9.636 million. Of this total, the amount to be appropriated during the budget process is \$5.566 million, which represents the balance of the TIGER grant and related City match.

Manager Aspell noted that the City Council will hold a separate public hearing in July on the \$2.5 million Sears Block Tax Increment Finance (TIF) District bond due to specific requirements in State Law concerning appropriation of TIF funds.

Lastly, a decision on the City's Tax Credit application will be made on July 9th. Pending the results of that award, City Administration will return in August with an update and the necessary resolutions to appropriate the \$1.57 million in private match funds.

Solid Waste Management:

• CIP #483, Transfer Station Modifications, \$750,000. Place holder for potential changes to the transfer stations pending Solid Waste Contract RFP and negotiations with the Solid Waste Co-Op and Wheelabrator.

Storm Sewer:

• No projects in FY 2014.

Street Corridor Improvements:

- CIP #19, Loudon Road, \$1.527 million. For implementation of an access management plan and "road diet" to create a three-lane highway for that portion of Loudon Road between Hazen Drive and D'Amante Drive. All funding will be appropriated separate from the budget process when / if the \$1,372,500 Federal grant is awarded.
- CIP #35, Route 3 North, \$2.2 million. For Village Street between Stark Street and the Boscawen Town Line. Supplements \$1.735 million appropriated by the City Council in March.

Street Rehabilitation:

• CIP #78, Annual Highway Program, \$1,112,658. For Loudon Road, from D'Amante Drive to Route 106 (\$700,000); for East Side Drive, from Sugarball to North Curtisville Road (\$200,000); and for Mountain Road, Shawmut to Tow Path Lane (\$100,000). Balance of funds is for administrative costs.

There was a brief discussion about Christian Avenue and the East Side Drive / I-393 bridge. Specifically, it was suggested that the City and State work to coordinate repainting of pavement markings on East Side Drive. Discussion about on-street parking on Christian Avenue ensued and it was suggested that the location of the parking be switched to the opposite side of the road.

<u>Streets – New Construction:</u>

• CIP #18, Storrs Street, \$900,000. For acquisition of property to facilitate future extension of Storrs Street north to Constitution Ave / Horseshoe Pond. Project shall be financed by the NEOCTIF District. Funds to be appropriated separately from the budget process once P&S Agreements are in place with affected property owners.

There was a brief discussion about CIP #39 relative to the potential Windsor Square project and anticipated realignment of Old Loudon Road and D'Amante Drive.

Water Distribution:

• CIP #84, Clean & Line Water Mains, \$700,000. For cleaning and lining of 1,700 linear feet of water main in Sawmill Road and 2,700 linear feet of mains in Hopkinton Road.

- CIP #85, Water Main Replacement, \$100,000. Loudon Road water main replacement project. Project is for additional funds to supplement the FY 2013 appropriation of \$2.3 million. Project replaces 4,500 linear feet of 12" water main between East Side Drive and D'Amante Drive.
- CIP #244, Meter Improvements, \$104,000. Replacement of 850 water meters throughout the City.
- CIP #347, Water Storage Tank Repairs, \$40,000. Repairs to the Snow Pond Tank. Includes new interior coatings and valve replacements.
- CIP #448, Hydrant & Valve Replacement Program, \$54,200. For replacement of 8 hydrants (\$29,000); and for replacement of 6 valves (\$25,200). City-wide.

Water Treatment:

- CIP #88, Water Production Plant Upgrades, \$670,000. Chemical improvements Phase I (\$400,000); piping replacement in Carbon Building (\$100,000); electrical improvements (\$100,000); and roof repairs / replacement at the main plant (\$70,000).
- CIP #254, Emergency / Unanticipated Capital Equipment Replacement, \$50,000. For emergency repairs of structures and equipment at the Water Treatment Plant.
- CIP #332, Facility Security Measures, \$25,000. Placeholder for potential grant and City match.

This concluded review of the FY 2014 CIP. Manager Aspell noted that the total proposed CIP budget is \$37,244,636.

Finance Committee Work Session: Councilor Coen moved to add \$3,000 for weed control from Exit 14 on Water Street, north to Boutin Street / former Walker School; as well as on Loudon Road / Center Street between the Merrimack River and North State Street. Discussion ensued about the Program Change Request (PCR) #125 for Highways and Utilities in the amount of \$2,000 and for a slightly different geography. Manager Aspell suggested increasing this amount initially to \$4,000 to allow for application of spray and removal once the weeds are dead, as well as resources to re-spray in the spring in order to get on a regular cycle. A larger discussion of weed maintenance in City rights-of-ways ensued. Manager Aspell indicated that \$8,000 is already included in the budget for other areas of the City. Councilor Shurtleff seconded. The motion failed on a unanimous voice vote.

Mayor Pro-Tem St. Hilaire moved to start an expanded weed eradication program in spring 2015 in the amount of \$7,000. Councilor DelloIacono seconded. The motion carried on a unanimous voice vote.

The Mayor moved to fund PCR #78 in the amount of \$35,670 to upgrade a part-time Police Dispatcher to full-time. Mayor Pro Tem St. Hilaire seconded. The Mayor spoke in support of the motion. If approved, the Mayor would reduce the compensation adjustment line item by the commiserate amount to finance this proposed change. The amount was corrected to \$30,320 after consultation with Deputy City Manager LeBrun. The motion was amended to reflect this amount and carried unanimously on a voice vote.

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The Mayor moved to remove \$30,320 from the compensation adjustment account. The motion was duly seconded and carried on a unanimous voice vote.

There was discussion about PCR #134 in the amount of \$900 for additional electrical outlets at the Perkins Chapel at the Blossom Hill Cemetery. Councilor Nyhan moved to add \$900 per PCR #134. Councilor Bennett seconded. The motion carried unanimously on a voice vote.

Deputy City Manager LeBrun indicated that the above amendments will add a 0.03% increase to the projected City tax rate increase. The tax rate increase is now projected at 3.13%.

The Mayor noted that the final public hearing on the budget is June 20th at 7PM. He invited the public to attend.

The meeting adjourned at 8:43PM.

Respectfully Submitted,

Matthew R. Walsh Assistant for Special Project.